

820 KAR 1:017. Licensing inspections.

RELATES TO: KRS 238.530, 238.535, 238.555

STATUTORY AUTHORITY: KRS 238.515(1), (2), (9), 238.530(5)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 238.530, 238.535, and 238.555 authorize the department to license distributors, manufacturers, charitable organizations and facilities. KRS 238.530(5) requires that manufacturers and distributors maintain records that are available for inspection for three (3) years. KRS 238.535 requires organizations to establish that they have maintained an office or place of business in the county in which charitable gaming is to be conducted. This administrative regulation establishes the criteria to be used in verifying the information contained in an application.

Section 1. (1)(a) An applicant for a charitable organization license or exemption shall be able to demonstrate its establishment and reasonable progress by independent and verifiable information. This may include an inspection of its office including contracts or leases, utility bills, records maintained by the parent organization, bank records, and any other records that are appropriate.

(b) Upon inspection, an applicant for a charitable organization license or exemption shall be able to demonstrate its maintenance of an office by copies of the business records, including the articles of incorporation and by-laws, if any, the tax forms, the check book and bank statements, and any other records expected to be kept by that type of organization.

(2) An applicant for a facility license shall be able to demonstrate that it is the entity that is operating the facility and that they do not have any prohibited relationships with organizations, distributors, or manufacturers. This may include an inspection of its office including contracts, required reports, checkbook, bank accounts, and any other records regarding the operation of the facility.

(3) An applicant for a distributor's or manufacturer's license shall be able to demonstrate prior to licensing that it manufactures or distributes gaming supplies from the locations stated on the license application. This may include an inspection of those locations and a demonstration or explanation of its ability to track gaming supplies and maintain the appropriate records.

(4) These inspections shall be completed by appropriate department personnel who shall file a report. (32 Ky.R. 798; 1636; eff. 3-31-2006; 42 Ky.R. 922; eff. 1-4-2016.)